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## SENATE BILL No. 533

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-33.

**Synopsis:** Dockside gaming. Authorizes riverboats to conduct dockside gaming while still requiring the riverboats to be self-propelled and to have a valid certificate of inspection from the United States Coast Guard. Removes the prohibition on a riverboat owner from owning more than a 10% interest in another riverboat. Permits a person to own up to a 100% interest in not more than two riverboat licenses. Provides that a person may not have an ownership interest in more than two riverboat owner's licenses. Specifies that a person is considered to have an ownership interest in a riverboat owner's license if the interest is owned directly or indirectly by the person or by an entity controlled by the person. Requires riverboat admission tickets, if issued, to display the toll free telephone number to obtain information on drug, alcohol, and gambling addictions. Repeals the riverboat cruising requirement and other statutes related to mandatory cruising.

**Effective:** July 1, 2002.

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**Server, Rogers, Meeks R, Lewis,  
Meeks C, Mrvan**

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January 14, 2002, read first time and referred to Committee on Commerce and Consumer Affairs.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## SENATE BILL No. 533

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-33-2-5.6 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2002]: **Sec. 5.6. "Cruise" means to depart from the dock while**  
4 **gambling is conducted.**

5 SECTION 2. IC 4-33-2-7 IS AMENDED TO READ AS FOLLOWS  
6 [EFFECTIVE JULY 1, 2002]: Sec. 7. "Dock" means the location where  
7 ~~an excursion~~ a riverboat moors for the purpose of embarking  
8 passengers for and disembarking passengers from a ~~gambling~~  
9 ~~excursion~~ **the riverboat.**

10 SECTION 3. IC 4-33-2-15.5 IS ADDED TO THE INDIANA CODE  
11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
12 1, 2002]: **Sec. 15.5. "Patron" means an individual who:**

- 13 (1) boards a riverboat; and  
14 (2) is not entitled to receive a tax free pass.

15 SECTION 4. IC 4-33-2-16.5 IS ADDED TO THE INDIANA CODE  
16 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
17 1, 2002]: **Sec. 16.5. "Reporting period" means a twenty-four (24)**



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hour increment used by the department under this article, commencing at 6 a.m. on one (1) day and concluding at 5:59 a.m. on the following day.

SECTION 5. IC 4-33-4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. **If a riverboat cruises**, the commission shall authorize the route of ~~a the~~ riverboat and the stops, if any, that the riverboat may make **while on a cruise**.

SECTION 6. IC 4-33-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. (a) After consulting with the United States Army Corps of Engineers, the commission may do the following:

(1) Determine the waterways that are navigable waterways for purposes of this article.

(2) Determine the navigable waterways that are suitable **locations** for ~~the operation of~~ riverboats under this article.

(b) In determining the navigable waterways on which riverboats may ~~operate~~, **be located**, the commission shall do the following:

(1) Obtain any required approvals from the United States Army Corps of Engineers for the operation **or docking** of riverboats on those waterways.

(2) Consider the economic benefit that riverboat gambling provides to Indiana.

(3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.

(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:

(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and

(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.

SECTION 7. IC 4-33-4-21.2, AS AMENDED BY P.L.215-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21.2. (a) The Indiana gaming commission shall require a licensed owner to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

(1) On each admission ticket to a riverboat ~~gambling excursion~~. **if tickets are issued**.

(2) On a poster or placard that is on display in a public area of each riverboat where gambling games are conducted.

(b) The toll free telephone line described in IC 4-33-12-6 must be:

(1) maintained by the division of mental health and addiction



under IC 12-23-1-6; and

(2) funded by the addiction services fund established by IC 12-23-2-2.

(c) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

SECTION 8. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The commission may issue to a person a license to own ~~one (1)~~ a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, **section 3.5 of this chapter**, and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from **or is docked in** the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from **or is docked in** the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from **or is docked in** the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon **or dock in** the Ohio River ~~from~~ **at** counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from **or docking in** a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates upon Patoka Lake from a county described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating ~~from~~ **in** the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 9. IC 4-33-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. The commission may not issue

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an owner's license under this chapter to a person if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;
  - (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;
  - (3) the person is a member of the commission;
  - (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
  - (5) the person employs an individual who:
    - (A) is described in subdivision (1), (2), or (3); and
    - (B) participates in the management or operation of gambling operations authorized under this article;
  - (6) the person owns an ownership interest of more than ~~ten percent (+10%)~~ in more than one (+) other person holding an owner's license issued under the total amount of ownership interest permitted under section 3.5 of this chapter; or
  - (7) a license issued to the person:
    - (A) under this article; or
    - (B) to own or operate gambling facilities in another jurisdiction;
- has been revoked.

SECTION 10. IC 4-33-6-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 3.5. (a) For purposes of this section, a person is considered to have an ownership interest in a riverboat owner's license if the interest is owned directly or indirectly by the person or by an entity controlled by the person.**

**(b) A person may have up to a one hundred percent (100%) ownership interest in not more than two (2) riverboat licenses issued under this chapter.**

**(c) A person may not have an ownership interest in more than two (2) riverboat owner's licenses issued under this chapter.**

**(d) This section may not be construed to increase the maximum number of licenses permitted under section 1 of this chapter or the number of riverboats that may be owned and operated under a license under section 10 of this chapter.**

SECTION 11. IC 4-33-6-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 9. (a) A licensed owner must post a bond with the commission at least sixty (60) days before the commencement of regular gambling on the riverboat. excursions:**

**(b) The bond shall be furnished in:**



(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission; and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.

(d) The bond:

(1) is subject to the approval of the commission;

(2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with a riverboat operation; and

(3) must be payable to the commission as obligee for use in payment of the licensed owner's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensed owner's bond is insufficient, the licensed owner shall upon written demand of the commission file a new bond.

(f) The commission may require a licensed owner to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the owner's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the licensed owner remains at the site for which the owner's license is granted for the lesser of:

(1) five (5) years; or

(2) the date the commission grants a license to another licensed owner to operate from the site for which the bond was posted.

(i) A licensed owner who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of

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a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time has run under subsection (h); and

(2) a written request is submitted by the licensed owner.

SECTION 12. IC 4-33-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) An owner's license issued under this chapter permits the holder to own and operate one (1) riverboat and equipment for each license.

(b) **An owner's license issued under this chapter permits the holder to:**

**(1) conduct gambling games authorized under this article while the riverboat is cruising or docked; and**

**(2) allow the continuous ingress and egress of passengers for purposes of gambling.**

(c) An owner's license issued under this chapter must specify the place where the riverboat must operate and dock. However, the commission may permit the riverboat to dock at a temporary dock in the applicable city for a specific period of time not to exceed one (1) year after the owner's license is issued.

~~(c)~~ (d) An owner's initial license expires five (5) years after the effective date of the license.

SECTION 13. IC 4-33-6-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. The commission may revoke an owner's license if:

(1) the licensee begins regular ~~riverboat excursions~~ **operations** more than twelve (12) months after receiving the commission's approval of the application for the license; and

(2) the commission determines that the revocation of the license is in the best interests of Indiana.

SECTION 14. IC 4-33-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) Except as provided in subsection (b), ~~a riverboat excursions~~ **cruise** may not exceed four (4) hours for a round trip.

(b) Subsection (a) does not apply to an extended cruise that is expressly approved by the commission.



1 SECTION 15. IC 4-33-9-14 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. (a) This section  
 3 applies only to a riverboat that operates from a county that is  
 4 contiguous to the Ohio River.

5 (b) A ~~gambling excursion~~ **cruise** is permitted only when the  
 6 navigable waterway for which the riverboat is licensed is navigable, as  
 7 determined by the commission in consultation with the United States  
 8 Army Corps of Engineers.

9 SECTION 16. IC 4-33-10-5 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. An action to  
 11 prosecute a crime occurring during ~~a gambling excursion on a~~  
 12 **riverboat** shall be tried in the county of the dock where the riverboat  
 13 is ~~based:~~ **located.**

14 SECTION 17. IC 4-33-12-1 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. **(a)** A tax is imposed  
 16 on admissions to ~~gambling excursions~~ **a riverboat** authorized under  
 17 this article at a rate of three dollars (\$3) for each ~~person admitted to the~~  
 18 ~~gambling excursion:~~ **patron who is on board at the time a passenger**  
 19 **count is recorded.**

20 **(b) Passenger counts must be recorded one (1) hour after the**  
 21 **start of each reporting period and once every two (2) hours**  
 22 **thereafter under procedures approved by the commission.**

23 **(c) If the riverboat's schedule as approved by the commission**  
 24 **does not provide for the riverboat to be open to the public at the**  
 25 **start of the reporting period, passenger counts must be recorded**  
 26 **one (1) hour after the riverboat begins admitting patrons during a**  
 27 **reporting period and once every two (2) hours thereafter under**  
 28 **procedures approved by the commission.**

29 **(d)** This admission tax is imposed upon the licensed owner  
 30 conducting the ~~gambling excursion:~~ **operations.**

31 SECTION 18. THE FOLLOWING ARE REPEALED [EFFECTIVE  
 32 JULY 1, 2002]: IC 4-33-2-8; IC 4-33-9-2; IC 4-33-12-2.

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